

# It's not a golden time for investors

By Roger Boye

**P**rices of rare coins have plummeted so much during the last several months that even some of the experts are shocked by the extent of the damage.

"I advised several of my customers early last year to buy silver dollars and gold pieces," said a longtime Chicago coin dealer. "Now many of those customers won't even give me the time of day."

Almost no type of rare coin—whether made with gold, silver or base metal—has escaped the downward price spiral. Analysts writing for hobby newspapers report that certain old coins are worth only half their value at the peak of the sales boom in early 1980.

The sour market has forced a few coin dealers into bankruptcy while some others are trimming staffs and cutting inventories in an attempt to survive. Chicago-area dealers surveyed in mid-

summer agreed that business is terrible.

A recent study by the Wall Street securities firm Salomon Brothers Inc. put the bad news in percentage terms. During the year ending June 1, the typical rare coin collection dropped nearly 28 percent in value.

Almost any other type of investment—stocks, bonds, farmland or even Oriental rugs—had a better price record during the 12 months, according to the study. Only silver [down 44.5 percent] and gold [down 34 percent] did worse than coins.

Still, over the 10-year period ending June 1, Salomon Brothers discovered that the annual return on rare coins was a robust 22.5 percent, a testimonial of sorts to huge price rises in the late 1970s. Of course, the longer-term record is of no comfort to thousands of newcomers lured to coin investing at the height of the market boom.

Declining prices don't last forever, and several hobby pros are predicting that coin values soon will begin to rise again. Among them is the well-known Chicago coin investor Walter Perschke of Numisco Inc.

"We have hit bottom," Perschke said. "The emphasis is shifting from 'When we are going to have a recovery' to 'We are going to have a recovery right now.'"